

Public adjusters are independent of your insurer and are business individuals who often solicit business after a major catastrophe like a tornado. A public adjuster will help a homeowner document the loss, schedule inspections and negotiate settlement amount(s) for a fee that comes out of the settlement with the insurer. If you choose to use a public adjuster, make sure the adjuster is licensed and provides a written contract for services. Review that contract carefully before signing.

DEBRIS REMOVAL

Coverage for removal of debris is automatically provided in a standard homeowners insurance policy. Compensation for debris removal is included in the cost of rebuilding the structure of a home and covers reasonable expenses for removal of debris following a covered event. Structural rebuilding and debris removal is covered up to the amount the home is insured for. If costs exceed policy limits, some policies will pay an additional amount to cover debris removal. Homeowners are not compensated if debris removal is completed by volunteers, a charitable organization or local government.

Work with your insurance company or agent to understand debris removal coverage. Often, local governments will help homeowners find reputable and experienced vendors to clear property in a timely manner.

STEP 4

SCOPE OF WORK

Your claims adjuster will work with you and your contractor to develop what is called a Scope of Work. This is a detailed building plan used to reconstruct your home based on a review of your previous floor plan, square footage and interior finish items such as flooring, counter tops, cabinetry, molding and plumbing. Homeowners insurance with replacement cost coverage will cover the cost of rebuilding your home with materials of like kind and quality, subject to the limits and terms of your insurance policy.

STEP 5

INSURANCE PAYMENTS & TYPES OF COVERAGE

It is important to know what each payment you receive is for as your homeowners insurance policy will include several separate coverages, often leading to receipt of different checks for different parts of your loss. The most common coverages are discussed below.

**Additional Living Expenses or ALE:** Covers temporary living expenses of a separate residence while you rebuild and may also provide for food, clothing and toiletries. Keep all receipts for reimbursement. ALE does not cover all living expenses, but often covers the increase over normal living expenses.

**Coverage A:** Covers the cost of rebuilding your home.

**Coverage B:** Covers detached structures such as an outbuilding, and is generally a percentage of the Coverage A limit.

**Coverage C:** Covers the contents and personal possessions in your home and is generally a percentage of the Coverage A limit.

Another common, but optional, coverage is a “floater” for specific high value items, such as jewelry, computer or photography equipment, or firearms. This coverage typically broadens the policy’s coverage for those specific items beyond what is included in Coverage C discussed above.

Note that if your car is damaged while in your garage or carport, it is covered by your automobile policy, not your homeowners policy. You will have to file a claim for the car under your automobile policy.

Understand your policy. Do you have a replacement cost policy? Replacement cost policies generally provide for the repair or replacement of damaged personal property items. Or do you have an actual cash value policy? Actual cash value policies only provide reimbursement for the depreciated value of your covered personal property.

After a loss, work with your insurer or agent to determine the appropriate level of coverage to maintain during the rebuilding process. Be sure to adjust the coverage as necessary once the home is rebuilt.

Don’t be afraid to ask questions. Always ask to speak to someone at a management level if you have questions or concerns your adjuster isn’t adequately addressing. You can also contact the Oklahoma Insurance Department to answer questions or assist with your claim. Insurance companies are regulated by the Oklahoma Insurance Department. Contact Consumer Assistance at 1-800-522-0071.

STEP 6

DAMAGE AND YOUR MORTGAGE HOLDER

Homeowners often have questions about routine activities, such as mortgage payments, after a major loss. Homeowners should continue to pay the mortgage and property taxes. Contact your mortgage servicer and inform them of the damage as your mortgage holder has a financial interest in the home being rebuilt. Some mortgage servicers require two signatures on checks and may require insurance payments to be placed into an escrow account. The mortgage servicer may issue payments to contractors in stages, after work is completed and inspected by the servicer’s inspector. This ensures the home is repaired and insurance proceeds are not fraudulently used by a vendor.

STEP 7

HIRING A CONTRACTOR

When choosing a contractor to make repairs, check licenses and references before hiring. Fraudsters often take advantage of the chaos following a disaster. Be suspicious of any contractor that tries to rush you, offers unsolicited repairs to your home or says he is supported by the government. The Federal Emergency Management Agency (FEMA) does not endorse individual contractors or loan companies. Call 1-800-621-FEMA for more information.

Always insist on a written estimate before repairs begin and get several estimates for the work to compare bids. Always have a written detailed contract that clearly states what the contractor will do, including prices for labor and materials, cleanup procedures and estimated start and finish dates. Never sign a contract with blank spaces which can be altered after you sign.

Do not pay a contractor the full amount up front or sign over your insurance settlement payment. Pay by a check or credit card to maintain a record of your payments to the contractor. Pay for work as it is completed in installments; a percentage when the contract is signed and the remainder when the work is completed to your satisfaction.

If you have a mortgage on the home, your mortgage servicer may require an escrow account and review work before installment payments are made to ensure the home is actually repaired to the original condition.

Additional Information

- Flood and earthquake damage are not covered in a typical homeowners or renter’s policy. If you have a separate flood or earthquake policy, contact the company that wrote the additional policy to file your claim.
- If your insurance company delays responding to your claim, call the claims department to find out if an adjuster has been assigned. Verify your contact details, especially if you have evacuated your home. Call the Oklahoma Insurance Department if the delay is unreasonable.
- Even after settling your claim, if you think of items that were not in your initial loss list, contact your insurance company. Unless the company has paid the entire limit for the coverage of those types of items, it is possible the company will make an additional payment.
- If your damages exceed the amount of your coverage, federal agencies may be able to provide grants or low-interest loans to assist with recovery following major disasters. Check with FEMA for more information.

BEFORE A DISASTER

Protect yourself with some form of homeowners insurance.

Review your insurance coverage each year to ensure that you have adequate coverage.

Have a plan of action: know where you can take shelter, make a list of important telephone numbers and prepare an emergency supply kit.

Your Safety Kit

Bottled water, flashlight, portable radio, extra batteries, fire extinguisher, essential medication, first aid kit, blankets, canned foods and non-electric can opener.